An overview of Control Self Assessment (CSA)

4 November 2004
Today’s Agenda

• What is CSA?
• How CSA links to ERM
• Developing a CSA framework
• Success factors and best practices
What is CSA?

CSA is a …

“Continuous assessment of risks and controls by employees, supported by one common methodology, which draws on the collective knowledge and insights of the organisation regarding business risks and internal control effectiveness”.

Background, aims and benefits

- Developed in the late 1980s by Gulf Canada and now used by many organisations around the world
- Renewed focus due to increased expectations and obligations in governance and risk management
- Reinforces control awareness, responsibility, and accountability among management and employees
- Provides senior management with a regular assessment of controls by the individuals directly responsible for maintaining them
- More effective use of line management and Internal Audit resources
- Can examine both hard and soft controls
A robust CSA process will support both risk management and internal control activity.
Leading practice requires CSA to be underpinned by a recognised control framework.

COSO supports the assessment of both hard and soft controls.
Risk management is viewed by some as a top-down process and CSA as a bottom-up approach.
Who does what?

• The CSA process owner develops the process
• Staff and management periodically complete the CSA and represent that the CSA process was properly completed.
• Senior management review and sign off representations.
• Action plans must be developed by management to address identified control weaknesses.
• Status of action plans monitored by management
• CSA process owner will summarise overall CSA results
• Internal Audit will carry out process audits to verify the CSA.
• The CSA tools are refreshed annually through workshops.
• Regular reporting to the audit committee.
Summary

- CSA fosters Enterprise Risk Management by promoting accountability for managing risk and controls by those responsible for them

- CSA is a flexible tool that can be used at any level in the organisation

- CSA can adopt an acceptable control framework (e.g. COSO) that is fully consistent with the enterprise risk management framework
Any questions?
For More Information

Varunee Pridanonda  
Partner  
PricewaterhouseCoopers  
15th Floor Bangkok City Tower  
179/74-80 South Sathorn Road  
Bangkok 10120, THAILAND  
Tel: 0-2344-1282  
Fax: 0-2286-4440  
Mobile phone: 0-1645-0114  
E-mail: varunee.pridanonda@th.pwc.com

Richard Wilkins  
Director  
PricewaterhouseCoopers  
15th Floor Bangkok City Tower  
179/74-80 South Sathorn Road  
Bangkok 10120, THAILAND  
Tel: 0-2344-1027  
Fax: 0-2286-4440  
Mobile phone: 0-1702-8322  
E-mail: richard.wilkins@th.pwc.com

Suntaree Leepakorn  
Director  
PricewaterhouseCoopers  
15th Floor Bangkok City Tower  
179/74-80 South Sathorn Road  
Bangkok 10120, THAILAND  
Tel: 0-2344-1061  
Fax: 0-2286-4440  
Mobile phone: 0-1333-0122  
E-mail: suntaree.leepakorn@th.pwc.com

Corporate Governance Centre  
The Stock Exchange of Thailand  
62 Rachadapisek Road  
Klong Toey  
Bangkok 10110